

## Message Text

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17

ACTION EUR-25

INFO OCT-01 NEA-14 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FEA-02 AF-10 PA-04

PRS-01 USIA-15 DRC-01 /198 W  
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R 051500Z JUL 74

FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 5651

INFO AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TRIPOLI

USNATO 1554

C O N F I D E N T I A L VALLETTA 1151

E.O. 11652: GDS

TAGS: ENRG, MT

SUBJ: ESSO ASSETS

REF: A. VALLETTA 2551, DEC 28, 1973 B. VALLETTA 2525, DEC 26, 1973

1. SUMMARY: ESSO SENIOR VICE PRESIDENT FOR AFRICA, R. B. CARTER, BRIEFED EMBOFFS ON RESULTS CONVERSATIONS WITH CROWN ADVOCATE GENERAL MIZZI AND PRIME MINISTER MINTOFF. WHILE GENERAL ATMOSPHERE IN DIALOGUE BETWEEN GOM AND ESSO SEEMS TO HAVE IMPROVED, LITTLE PROGRESS IS BEING MADE IN RECOVERING ESSO ASSETS. END SUMMARY.

2. CARTER MET ON MORNING JULY 4 WITH CROWN ADVOCATE GENERAL MIZZI TO DISCUSS NUMBER OF OUTSTANDING PROBLEMS RELATED TO ESSO ASSETS IN MALTA FOLLOWING GOM REFUSAL DISCUSS PRICE INCREASES RESULTING IN ESSO DECISION DISCONTINUE COMMERCIAL OPERATIONS LAST DECEMBER (SEE REF CONFIDENTIAL

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A).

PROBLEMS RELATE TO DISPOSAL OF RETAIL OUTLETS, OIL TERMINAL FACILITIES, BLACK OIL STORAGE TANK AND TRADEMARKS. MIZZI TOOK VERY TOUGH LINE ON FIRST THREE ISSUES, HOLDING TO POSITION THESE ARE USELESS TO ESSO AND NOT RPT NOT NEEDED BY GOM AND THEREFORE COMPENSATION CAN ONLY BE AT SCRAP VALUE. HE WAS NOT OF MUCH HELP ON TRADEMARKS QUESTION EITHER, POINTING OUT THIS COULD BE "POLITICAL PROBLEM."

3. MINTOFF REPORTEDLY TOOK MUCH FRIENDLIER POSITION WITH CARTER, BUT WAS NO MORE FORTHCOMING ON QUESTION OF COMPENSATION FOR ASSETS. HE DID, HOWEVER, INSTRUCT MIZZI IN CARTER'S PRESENCE TO FACILITATE REMOVAL ESSO TRADEMARKS.

4. CARTER BELIEVES IMPROVEMENT IN MINTOFF'S ATTITUDE RELATED TO NEED FOR CRUDE AT LOWER PRICE THAN THAT WHICH HE IS RECEIVING FROM LIBYA (DOLS 12 PER BARREL) AND MAY RECEIVE FROM GULF (DOLLS 10.58 PER BARREL). IN INTEREST KEEPING DIALOGUE OPEN ON MATTERS OF CONCERN TO HIS COMPANY, CARTER AGREED LOOK INTO SUPPLY QUESTION.

5. COMMENT: ESSO'S MOST IMMEDIATE CONCERN IS TRADEMARK ISSUE. ALTHOUGH MINTOFF APPEARED TO COOPERATE ON THIS QUESTION, CARTER BELIEVES MALTESE MAY STILL DRAG FEET. IF THIS OCCURS, ESSO PREPARED GO TO COURT. IN RESPONSE REQUEST FROM CARTER, WE AGREED REITERATE SERIOUSNESS TRADEMARK QUESTION WITH APPROPRIATE GOM OFFICIALS.

6. ON THE WHOLE, CARTER SEEMED RELATIVELY RELAXED ON QUESTION OF LIQUIDATING PHYSICAL ASSETS, AND WAS PREPARED TO LET THIS PROBLEM SIT ON ICE FOR THE PRESENT. THIS IS CONSISTENT WITH HIS COMMENTS DURING AN EARLIER VISIT TO THE EFFECT THAT ESSO, IF NECESSARY, WOULD BE PREPARED SIMPLY TO WRITE OFF ITS ASSETS HERE. WE EXPECT THAT ESSO WILL, HOWEVER, CONTINUE TO NEGOTIATE FOR SOMETHING BETTER THAN SCRAP VALUE.

7. TRADEMARK QUESTION IS SIMPLY REMOVAL OR OBLITERATION OF SESSO SIGNS.GETZ

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## Message Attributes

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